

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2142
ANSWERED ON:06.05.2016
Fake Insurance Companies
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/Insurance Regulatory and Development Authority (IRDA) is aware of fake insurance companies proliferating in the country by alluring the policy holders to return their money paid to these companies in case of default;
- (b) if so, the details thereof;
- (c) whether the Government has identified any fake insurance companies so far, if so, the details thereof, State/UT-wise including Delhi; and
- (d) the steps taken/being taken by the Government to curb such illegal insurance companies?

Answer

Minister of State in the Ministry of Finance

(a) & (b) As per Insurance Regulatory and Development Authority of India (IRDAI), certain sets of individuals are involved in making spurious calls to the policyholders with a view to allure them with offers which are beyond the scope of insurance policies. The Authority has also received complaints from policyholders and other members of public in this regard. The details of complaints received in this regard insurer wise and State/UT wise are given in Annexure-I & Annexure-II respectively.

(c) IRDAI has not identified any fake insurance company so far.

(d) IRDAI has taken various steps including publication of handbooks, promotion of right selection tips for purchase of insurance policies through print media, electronic media and social media for educating the general public. The Authority has also reviewed grievance redressal systems followed by various insurers and instructions are issued from time to time to put in place a policy on handling spurious call complaints and mis-selling complaints.
